



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 16-06]

36(b)(1) Arms Sales Notification

AGENCY: Department of Defense, Defense Security Cooperation Agency.

ACTION: Notice.

SUMMARY: The Department of Defense is publishing the unclassified text of a section 36(b)(1) arms sales notification. This is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996.

FOR FURTHER INFORMATION CONTACT: Sarah A. Ragan or Heather N. Harwell, DSCA/LMO, (703) 604-1546/ (703) 607-5339.

The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 16-06 with attached Policy Justification and Sensitivity of Technology.

Dated: February 8, 2016.

Aaron Siegel,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY
201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408


The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

DEC 16 2015

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 16-06, concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance to the Taipei Economic and Cultural Representative Office in the United States for defense articles and services estimated to cost \$216,848,586. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,



J. W. Rixey
Vice Admiral, USN
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology



Transmittal No. 16-06

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Taipei Economic and Cultural Representative Office in the United States

(ii) Total Estimated Value:

Major Defense Equipment*	\$203,814,738
Other	<u>\$ 13,033,848</u>
TOTAL	\$216,848,586

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE) includes:

Two-hundred and fifty (250) Block I -92F MANPAD Stinger Missiles
Four (4) Block I -92F MANPAD Stinger Fly-to-Buy Missiles
One (1) Captive Flight Trainer (CFT)
Forty-two (42) Field Handling Trainers (FHTs)
Seventy (70) Gripstock Control Groups
Seventy (70) Medium Thermal Weapon Sights (MTWS)
Forty-two (42) Tracking Head Trainers (THTs)
Four (4) Sierra Coolant Recharging Units (CRUs)
One (1) Missile Go/No Go Test Set
Four (4) each MQM-170 Outlaw Target Drones
Sixty-two (62) Identification Friend or Foe (IFF), IFF Development
One (1) Stinger Troop Proficiency Trainer (STPT)

Non-MDE items included are Integrated Electronic Technical Manuals (IETMs), Government-Furnished Equipment, spare and repair parts, Telemeters, Range and Test Support, contractor technical support, contractor training, contractor engineering services, and contractor logistics services. Also included are consolidation, Total Package Fielding, Material Fielding Team, Field Service Representative (FSR), U.S. Government Technical Support, and other associated equipment and services.

(iv) Military Department: Army (XX-B-ZBU)

(v) Prior Related Cases, if any: None

(vi) Sales Commission. Fee, etc., Paid, Offered, or agreed to be paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be sold: See Attached Annex

(viii) Date Report Delivered to Congress: 16 December 2015

* as defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Taipei Economic and Cultural Representative Office (TECRO) in the United States - Block I - 92F MANPAD Stinger Missiles and Related Equipment and Support

The Taipei Economic and Cultural Representative Office in the United States has requested a possible sale of two-hundred and fifty (250) Block I -92F MANPAD Stinger Missiles, four (4) Block I -92F MANPAD Stinger Fly-to-Buy Missiles, one (1) Captive Flight Trainer (CFT), forty-two (42) Field Handling Trainers (FHTs), seventy (70) Gripstock Control Groups, seventy (70) Medium Thermal Weapon Sights (MTWS), forty-two (42) Tracking Head Trainers (THTs), four (4) Sierra Coolant Recharging Units (CRUs), one (1) Missile Go/No Go Test Set, four (4) MQM-170 Outlaw Target Drones, sixty-two (62) Identification Friend or Foe (IFF), IFF Development, one (1) Stinger Troop Proficiency Trainer (STPT). Also included are Integrated Electronic Technical Manuals (IETMs), Government Furnished Equipment, spare and repair parts, Telemeters, Range and Test Support, contractor technical support, contractor training, contractor engineering services, contractor logistics services, consolidation, Total Package Fielding, Material Fielding Team, Field Service Representative (FSR), U.S. Government Technical Support, and other associated equipment and services. The estimated value is \$216,848,586.

This sale is consistent with United States law and policy as expressed in Public Law 96-8.

This proposed sale serves U.S. national, economic, and security interests by supporting the recipient's continuing efforts to modernize its armed forces and enhance its defensive capability. The proposed sale will help improve the security of the recipient and assist in maintaining political stability, military balance, and economic progress in the region.

The proposed sale will improve the recipient's capability in current and future defensive efforts. The recipient will use the enhanced capability as a deterrent to regional threats and to strengthen homeland defense.

The recipient intends to use these defense articles and services to modernize its armed forces and to expand its existing air defense architecture to counter threats posed by air attack. The recipient will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor involved in this program is Raytheon Missile Systems, Tucson, Arizona. The recipient normally requests industrial cooperation at forty percent, but at this time there are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require visits to the recipient by twelve (12) U.S. Government or contractor representatives for a period of six (6) weeks (Non-concurrent).

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

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Annex
Item No. vii

(viii) Sensitivity of Technology:

1. The highest classification of the Stinger 92F Reprogrammable Micro-Processor (RMP) Block I Missile and Stinger Man-Portable Air Defense System (MANPADS) hardware is CONFIDENTIAL, and the highest classification of data and information is SECRET.

a. The Stinger RMP Block I Missile, hardware, embedded software object code and operating documentation contain sensitive technology and are classified CONFIDENTIAL. The guidance section of the missile and tracking head trainer contain highly sensitive technology and are classified CONFIDENTIAL. Missile System hardware components contain sensitive critical technologies. Stinger Block I critical technology is primarily in the area of design and production know-how and not end-items. This sensitive critical technology is inherent in the hybrid microcircuit assemblies; micro-processors; magnetic and amorphous metals; purification; firmware; printed circuit boards; laser roll rate sensor; dual detector assembly; detector filters; optical coatings; ultraviolet sensors; compounding and handling of electronic, electro-optic, and optical materials; test equipment operating instructions; energetic materials fabrication and loading technology; warhead components and seeker assembly. Information on countermeasures vulnerability to electronic countermeasures, system performance capabilities and effectiveness, simulation and test data and software source code are classified up to SECRET.

b. Loss of this hardware and/or data could permit development of information leading to the exploitation of countermeasures. Therefore, if a technologically capable adversary were to obtain missile hardware or associated development or production information, the missile system could be compromised through reverse engineering techniques which could defeat the weapon system's effectiveness.

2. All defense articles and services listed in this transmittal have been authorized for release and export to the recipient.

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